

TAHPDX: Great Decisions in U.S. History

Teaching American History: A partnership between Portland State University and the Beaverton, Hillsboro and Forest Grove School Districts (funded by the U.S. Department of Education)

A NEW INDUSTRIAL AMERICA: Freedom & the Rights of Workers

The last quarter of the 19th century and the first years of the 20th were difficult, exciting, and dynamic years of economic transition, from a largely agrarian economy to a largely industrialized one. The wrenching changes in rhythms and nature of work as well as employer-employee relations reached into every corner of the economy and society, engendering severe dislocations. The result was a reform movement that saw the rise of unions, some naively idealistic (the Knights of Labor), conservative (those within the AFL), and radical (the IWW).

Teachers and students can look into the development of key industries in Oregon and the Northwest to understand the economic struggles met in building an industrial economy and their resulting social tensions. They can examine the anti-oriental riots in the state in the late years of the 19th century fomented by the Knights, the explosive problem of dealing with the IWW in Centralia and Everett, Washington in the wake of World War I, and the attempts to deal through the law with inequities in the workplace, as in the landmark case *Muller v. Oregon* of 1905.

*The New Industrial America topic contains the subtopics listed below. Each subtopic includes a narrative with highlighted text [resources] indicating that additional support material is available for viewing for viewing and/or downloading including primary documents, maps, spreadsheet data and websites. To access the material go to the TAHPDX: Great Decisions in U.S. History Website and use the links available on the **TOPIC AREAS [A New Industrial America]** page or the **QUICK NAVIGATION** pages.*

Search TAHPDX on the internet or access the website via the link on the Community Geography page at <http://www.pdx.edu/ims/community-geography.html>.

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1. The 19th Century Context for Workers' Struggles and the Rise of Organized Labor

Some historians have characterized the outcome of the Civil War as a victory as much for northern capitalists as for anti-slavery forces. Whether or not this was the essence of the Union's triumph, incontestably, the last quarter of the nineteenth century--the Gilded Age as it is generally known--was a period of social and economic turmoil, owing to the ascendancy of big business in the nation's life. With the unleashing of the forces of unbridled urbanization and industrialization under the auspices of a *laissez faire* philosophy promulgated by a Congress and court system sympathetic to business, the economy grew to unprecedented proportions. But American society paid a painful price, in the coin of the exploitation of farmers, the middle class, and urban workers. From the 1870s onward, there were several intense reformist responses to the abuses of the new industrial system. These included Grangerism and populism in the agrarian sector, Mugwumpism and Progressivism in the world of the urban middle class, and the development of a vigorous labor movement in the nation's urban centers and on its industrial frontier. In short, workers were part of a pervasive dissatisfaction with the development of the society and economy, which was marked by low wages, long hours, unsafe conditions, and harsh measures to keep workers in line.

The American labor movement which arose in reaction to the harsh realities of industrialism, came directly out of the experience of the European immigrants who flooded the nation's cities in the last three decades of the nineteenth century and the first two decades of the twentieth. In contrast to American workers who believed that social mobility was their birthright and resisted the idea that they would be workers forever, immigrant laborers reared in rigidly classed societies, felt their class and economic status to be permanent and wished to ameliorate it through collective action. Their determination to improve their own lot led them to form, in the last third of the century, a number of national unions and a key labor central organization (an alliance of individual unions) called the American Federation of Labor.

The first of these unions was the National Labor Union (founded in 1866) under the leadership of William Sylvis. The NLU was short lived because it was indistinguishable from the social reform impulse then taking shape in America. The next important union was the Knights of Labor founded by Philadelphia tailors under Uriah Stevens also in 1869, but more famous was his successor, Terrence V. Powderly. The Knights were not effective because they eschewed the strike as a weapon, which weakened their bargaining position in negotiations with employers, and failed to focus exclusively on labor issues. Instead, they campaigned for important, but, as far as workers' rights were concerned, peripheral, goals. These included women's suffrage and temperance. These ideals were, ironically, consonant with the moral values of employers in the factory system of the first industrial age, but they were out of phase with the pressing need for workplace reform that characterized the last quarter of the century.

The ultimate ineffectiveness of the NLU and the Knights coupled with the growth of abuses in factories and other job sites and in the daily struggle of working class families to survive assured that workers would not remain passive. So the 1870s, 80s, and 90s saw the rise of a number of major unions, including the United Brotherhood of Carpenters and Joiners of America, founded in 1881, along with the labor central organization, the AFL. Many of the newly formed unions

were by independent craftsmen like the carpenters who considered themselves skilled craftsmen. The unions they formed were exclusive to members of the craft and operated in some sense as guilds in that they restricted membership to a few. These unions were called craft unions and followed a philosophy of “business unionism,” in which the main issue was higher pay for the special commodity the members sold, their skill in the trade.

2. The Struggle for Purchase

The AFL unions embraced the strike as a tool of bargaining, but they were basically pragmatic and conservative. They had lofty goals that they pressed for relentlessly. Samuel Gompers, the cigar maker who was the AFL leader for nearly 40 years, put it eloquently: “What does labor want? We want more schoolhouses and less jails [*sic*], more books and less arsenals, more learning and less vice, more constant work and less crime, more leisure and less greed, more justice and less revenge.” In practice, AFL unions remained pragmatic. As Gompers’ chief lieutenant Adolph Strasser said, “We are all practical men, we go from day to day.”

This pragmatism meant that rather than pursue aggressive tactics to produce immediate and revolutionary results, progress would be slow. In fact, AFL unions settled for modestly higher wages, somewhat shorter hours (for most trades, the 8-hour day didn’t take effect until the 20th century), and safer working conditions, which they gained only after waging rigorous campaigns in their respective trades. They militated also for limitations on woman, child, and convict labor, not from altruistic motives, but as a way to protect their own wage scales and jobs. They were, ironically, anti-immigrant for the same reason, especially if the immigrant competitors were Asians, who tended to work tirelessly for low pay. Indeed, the threat of Asian labor on the West Coast in the 1880s and 90s was so serious that up and down its length, the Knights of Labor enjoyed a serious, if brief, revival, based on the organization’s intense, often violent, and certainly racist, challenge to the employment of Chinese and Japanese.

Among the general public, the perception of organized labor was mixed, at best, during this period. Labor’s image problem was connected to a number of spectacular events leading up to the end of the century that brought workers’ problems to the surface of the national consciousness, but were fraught with confrontational rhetoric, intransigence, and often, ultimately, violence. These included the first nationwide strike, in 1877, when 100,000 railroad workers paralyzed the transportation system. Federal troops were called out to break the walkout. On June 21, 1877, a day also known as Black Thursday, the first ten of twenty “Molly McGuires,” a secret cabal of Irish miners, were hanged for the murders of 24 mine foremen and superintendents in Pennsylvania coal fields. The Mollys had taken revenge against the Reading Railroad and its mine bosses for the unspeakable conditions in the mines. They were infiltrated and captured by Pinkerton detectives hired by the Railroad, then tried and executed for these crimes, some of which the Pinkerton double agent in their midst had helped to plan and carry out. The nation was repelled by the violence.

There were other brutal incidents in the remainder of the century that convinced Americans of the bloody intent of labor organizers. The Haymarket riot of May 1, 1886 involved shocking violence in Chicago, supposedly touched off by anarchists in the crowd, although some believe the police were responsible for initiating the bloodshed. In 1892, Carnegie Steel was struck at its

Homestead, Pennsylvania plant. Earlier, an anarchist had attempted to assassinate the company's president Henry Clay Frick, and Carnegie, the owner of the company, resolved not to give in to the steelworkers. He hired Pinkertons to police the action and brought strikebreakers in to run his plant. The thuggery associated with the strike on both sides of the picket line was once again distasteful to the public, but the union largely bore the blame for the strife and, as a result, steelworkers were unable to mount an effective organization for forty years.

The Pullman Strike of 1894 was another difficult episode for labor. The Pullman Company made rail cars in a pleasant company town in Illinois. Workers there were paid well, but the exorbitant cost of shelter, food, and services, all of which were monopolized by the company, left them with virtually nothing. When Pullman cut his workforce by one-third in the wake of the Depression of 1893 and cut the wages of those who remained by 30 percent, they struck. The strike was eventually broken by a combination of callous courts and federal troops enforcing orders of the President of the United States, Grover Cleveland, who had mobilized them because of the disruption of mail service.

One thing that began to change the public's perception of labor was the Depression of 1893. This downturn was unusual in that it badly hurt the lower classes, while the rich were not much affected. Many in the middle class became for the first time more aware of the growing gap between the classes and the inequities in the industrial system that seemed to become worse with each passing day. A commission that examined the Pullman strike in its aftermath caused Cleveland to reverse his view of the workers' cause and, as the tide of Progressive reform rose throughout the nation, the complaints of workers seemed to gain resonance as they became framed in the context of swelling dissatisfaction with industrial society.

3. The Rise and Fall of the IWW

Parallel to the rise of conservative unionism, there was an upsurge of radicalism among workers. Whereas the agony of the farmers and the discontent of the middle class had produced reform movements—populism and progressivism—that expressed their frustration with industrialization most potently in the mainstream political process, labor produced both a mainstream movement and one dedicated to the violent overthrow of capitalism. The Industrial Workers of the World (IWW) was born in 1905. The IWW flourished for about ten years after that. Its members were known commonly as “Wobblies” (there is no satisfying answer concerning the origin of the nickname), they advocated the eight hour work day and a forty hour work week, fought, and sometimes won, bitter freedom of speech fights, championed the causes of mineworkers in Bisbee, Arizona, and struck to improve the working conditions in the textile mills of Patterson, N.J. and Lawrence, Mass.

Forty-three radicalized unions came together at the first convention in response, in part, to the restrictive organizing efforts of the American Federation of Labor (AFL) along lines of craft unionism and specific areas of manufacture. The Wobblies conceived a union with a low dues structure and a weak executive board. The power to recall the General Executive Board and to collect dues rested with the general membership. The membership would be open to all.

Delegates to the convention included veteran organizers from the Western Federation of Miners, unionists from the AFL and American Labor Union, and members of the Socialist Labor Party.

Among the attendees of the convention was Eugene Debs. They were animated by disdain for the AFL and hoped to expand organizing to include workers across the United States without regard for race, creed, state boundaries, or sex. This decentralized, rather casual structure was both part of the union's appeal to workers and its major flaw, for it engendered an erratic and highly local response to issues. Decentralization made organizing efforts and the free speech fights quite successful. The ability of "roving delegates" to act as "one man locals," signing up members and collecting dues was efficient, but hid the inherent instability of the union.

However, the IWW's resistance to dues checkoffs and written contracts, which workers saw as tools employers could use against the union in times of disputes, robbed it of money and bargaining power. Union organizers and delegates did not often stay in one place, which meant that many IWW locals simply stopped forwarding dues to the union or disbanded outright. Even successful organizing drives were marred when locals fought one another to organize the same workers within an industry. Finally, IWW leaders often engaged in internecine squabbles over the direction of the organization, resulting in a constant state of turmoil at the union's upper levels.

Nevertheless, in its heyday, the IWW was a powerful alternative to the AFL. Unlike its more sedate rival, which organized workers by skill, the IWW organized workers by specific industry, regardless of the job performed. Charismatic organizers like Vincent St. John and Big Bill Haywood, both veterans of the Western Federation of Miners, led in enlisting workers in industries not traditionally viewed as worth pursuing by the AFL and individual unions. IWW Industrial Union Locals flourished among miners in the Southwest, loggers in the Northwest, textile workers in the East, and dockworkers and marine transport workers around the country. With an emphasis on organizing, the IWW grew from 200 members to over 100,000 by 1917.

The IWW was studded with skillful orators, among them Big Bill Haywood, Elizabeth Gurley Flynn, and Joseph Ettor. Martyrs to the cause, such as Frank Little and Joe Hill, added mystique to the IWW saga. Successes in the East and tragedies in the West, such as the Bisbee deportation, in which 1200 men were forcibly transported out of Arizona for alleged organizing attempts, and the Centralia and Everett Massacres during and immediately after World War I, made the IWW a champion of the masses in the eyes of many in the public.

U.S. involvement in World War I changed public perception of the IWW and brought increased attention from the government. IWW organizing efforts during the war were regarded as counter to the patriotic spirit of the time and the union's inflammatory language was uncomfortably close to that of radicals in other parts of the world. The IWW's decision to organize heavily among immigrants, blacks, migrants, and other alien elements of the workforce seemed to cast it as a menace to the United States.

During the last year of the war, the government seized the records of the IWW and its locals, tried and jailed many leaders and local union members. Eventually the IWW's colorful leader, Bill Haywood left for the Soviet Union, where he is buried alongside the radical journalist John Reed at the Kremlin wall. The trials broke the back of the IWW. Bereft of money and its most influential leaders, the union never again attained the widespread support it enjoyed in the early 1900s.

4. An Era of Changing Attitudes

In general, organized labor gained ground slowly but inexorably in the early 20th century as the public and politicians came to grips with the inequities inherent in modern industrial society. A number of events occurred to put the struggle of workers in a different perspective for the public. One was the issuance in 1891 of the papal encyclical of Leo XIII, *Rerum Novarum*, on capital and labor, which made clear the Church's view that workers and employers were equals and implicitly sanctioned collective bargaining.

Let it be taken for granted that workman and employer should, as a rule, make free agreements, and in particular should agree freely as to wages; nevertheless, there is a dictate of natural justice more imperious and ancient than any bargain between man and man, that remuneration should be sufficient to maintain the wage-earner in reasonable and frugal comfort. If through necessity or fear of a worse evil the workman accept harder conditions because an employer or contractor will afford him no better, he is made the victim of force and injustice.....”

While this had little impact on the American public, which was deeply suspicious of Catholicism and the Pope, it emboldened immigrant workers, a majority of whom were Catholic. At the same time, a movement in Protestantism, the Social Gospel, was taking shape. Under the leadership of Washington Gladden and Walter Rauschenbusch, this movement in liberal Protestantism tried to apply biblical teachings to the problems of industrialism. In so doing, it, like *Rerum Novarum*, suggested that there were religious grounds for the attempts of unions to fight back against abuses in the workplace. Embedded within the rising tide of reformism sweeping the nation at the time, this added a dimension of legitimacy to the drive of labor to exert some level of control over its destiny that average people could comprehend in the context of their own moral compasses.

By the beginning of the 20th century, the President of the United States was showing a grasp of the imbalance in power between capital and labor. In October 1902, Theodore Roosevelt called a White House conference between coal operators and the United Mine Workers to resolve a strike for recognition of the union. With the country facing a winter without its primary fuel, Roosevelt was furious when the conference failed because of the mine owners' intransigence. Denouncing the “arrogant stupidity” of the employers, he called in the powerful financier J. P. Morgan, who brokered a deal ending the strike. Roosevelt, no particular friend of labor, then appointed an arbitration commission to resolve outstanding issues. This was an unprecedented step, one which had the effect of further legitimizing somewhat organized labor—at least in its AFL aspect—in the eyes of the public.

The struggle for worker rights was given a tragic jolt when, on March 25, 1911, the Triangle Shirtwaist Company factory burned to the ground. The conflagration took the lives of 146 young women, mostly Jewish and Italian immigrants who worked there in sweatshop conditions. Public outrage was awakened by the subsequent investigation which turned up evidence of the miserable environment in the loft in which the women worked, including the long hours, meager wages, and spectacularly unsafe building that surfaced in the subsequent investigation. These revelations shined a light on the exploitation of workers that was the everyday lot of many in industrial America. A volley of legislation and landmark court decisions resulted in part from

this tragic illustration of the inequities of industrial production in the nation.

The legal offensive in the battle for workers rights was led most prominently by the lawyer Louis D. Brandeis, who later ascended to the Supreme Court. *Lochner v. New York*, a 1905 case, had struck down the state's limitation of bakers to a 10-hour day as unconstitutional, although it did concede that it would be constitutional if it could prove that health and safety were at risk. In 1908, Brandeis, in combating the attempt of Oregon employers to strike down an Oregon law limiting laundry workers to a 10-hour work day, seized on the opening afforded by the *Lochner* decision. In his argument in *Muller v. Oregon*, he attempted to prove that long hours were, in fact, detrimental to the health of the women workers and used a 100-page brief filled with economic, sociological, and physiological data to prove his point. He won.

Another aspect of the offensive for workers rights played out in legislation known as the Keating-Owen Act of 1916. The 1900 census had revealed that approximately 2 million children were working in mills, mines, fields, factories, stores, and on city streets around the country. The census report helped spark a national movement to end child labor in the United States. The Keating Act, the first child labor legislation in U.S. history, eliminated child labor by prohibiting the sale of products from any factory, shop, or cannery that employed children under the age of 14, from any mine that employed children under the age of 16, and from any facility that had children under the age of 16 work at night or for more than 8 hours during the day. This attempt to stop child labor through the government's right to regulate interstate commerce was, however, shortly overturned by the Supreme Court. Another law was passed by the Congress in 1918, only to be overturned again by the court in the landmark case *Hammer v. Dagenhart*, 1918. In its opinion, the Court's majority said that "The power of Congress to regulate interstate commerce does not extend to curbing the power of the states to regulate local trade." The decision effectively stalled the campaign against child labor until the passage of the Fair Labor Standards Act in 1938.

Ironically, among the most resistant to unionization, if not better conditions, in this period were many in the working class. The primary reason lay deep in the American character and the pervasive sense that the nation was composed of exceptionally socially and economically mobile people. This phenomenon was perhaps first described in 1835 in Tocqueville's *Democracy in America*. An aspect of the general American attitude of exceptionalism, Americans held fast to the idea that belonging to a union was a sign of acquiescence in old European ideas of class and consigned one to a life of subservience. Instead, Americans preferred to regard themselves as able to move ever upward in status and wealth. Why label one self, by joining a union, as a member of the working class? Why fight for better wages now when a personal fortune might await? In any case, there is little doubt that this view has chronically retarded the growth of unions in the U.S.

5. The Impact of World War I

World War I was a decisive turning point for labor. The War Industries Board and the Emergency Fleet Corporation were key agencies created to manage economic activities on the home front. As creations of and servants to the federal government's war effort made up primarily of businessmen, they were intertwined with government and because they served the

interests of the industries supplying the military, business cooperated with the agencies. This alliance proved to be an advantage to organized labor because, in embracing cooperation with government, business was taking a momentous step toward regulation of its activities and, in addition, by so doing had struck an unstated bargain on labor relations in wartime.

Samuel Gompers, as President of the AFL, seized the opportunity to trade organized labor's support for the war for influence in policymaking. With a seat on two other coordinative bodies, the National Defense Advisory Commission (NDAC) and the National War Labor Board (NWLB), he was a strong voice in labor relations, particularly as both government and employers, for their own reasons, wanted no interruptions in war production because of strikes. Yet another body, the War Labor Policies Board, which established the U.S. Employment Service, placed 4 million workers in wartime jobs.

Another important body was the National War Labor Board (NWLB). The NWLB required workers not to disrupt war production with strikes or other actions in return for the right of unions to organize and the mandate to employers to deal with shop committees. Often referred to as "labor's Supreme Court," the NWLB arbitrated 1,250 disputes, deciding the majority in favor of labor. This explicitly and implicitly gave the government's imprimatur to the goals of organized labor. After years of strife with both business and government, these developments conferred status and power on organized labor and between 1916 and 1919, the AFL grew to nearly 3 million members by the end of the war, a leap of almost a million.

Outside the ambit of organized labor, the war produced gains for other workers as well. The lure of industrial jobs brought some 450,000 African-American workers from the bondage of tenantry in the agrarian South to the metropolises of the North. Henry Ford in fact sent agents into the South to recruit black workers to his plants in Michigan, beginning one of the most critical population shifts in the history of the nation. A similar experience awaited Mexicans living in barrios of the Southwest. Women also took advantage of the blossoming of war industries and became, indeed, its largest group of beneficiaries. In addition to better paying jobs, women's wartime contributions provided a boost to their campaign for the vote.

6. Into a Conservative Era

The war's end brought backward steps for organized labor and workers generally, rather than the ever ascending pathway that might have been predicted on the basis of wartime gains. The armistice, for example, brought an abrupt decline to the West Coast shipbuilding industry as the War Shipping Board canceled as many contracts for vessels as possible and across the country. The refusal of the government and employers to honor automatic wage increases led to a strike up and down the coast (except in Portland). Jobs in industries manufacturing war material of all kinds disappeared, making the bargaining position of workers and unions far less powerful than they had been just weeks previously.

The American public, longing for a less complicated time, its mood isolationist, conservative, and weary of reform, turned its back on organized labor, "European" ideas such as socialism and unionism itself, and immigrants, the bedrock of the union movement. Employers, under the leadership of the National Association of Manufacturers, sensing an opportunity to roll back

labor's gains over the first two decades of the 20th century, began an anti-union campaign for the "American Plan," a public relations style appeal to patriotism in the workplace that equated the closed shop with an un-American activity. The focus of the campaign was an attempt to install the so-called "open shop" in its place and the effect was to keep unions out of many work sites. In any case, as the decade of the Twenties wore on, the nation's growing prosperity suggested to workers that unions were unnecessary because jobs were becoming plentiful.

In many industries, employers were not the main, or even the most powerful, enemy of workers, as far as low wages and exploitative jobs were concerned. The real and more insidious adversary of workers and unions was technology, which competed in key industries with humans for work and hours (as it had since the onset of the industrial revolution). Technology displaced more and more workers in agriculture, transportation, construction, and various kinds of manufacturing, even as it promised a brighter economic future for the nation as a whole. Unions could conceive of no effective way of fighting it and, with their sinking regard in the mind of the public, labor's organizational efforts stalled out as the Twenties wore on. Attitudes friendly to labor, the impulse to reform that animated Progressivism, the values fostered by the Social Gospel, the legitimization of labor organization made just before and during World War I, the wartime understandings among government, business, and labor—all of the factors that had accounted for labor's leap forward from the last quarter of the 19th century to the close of the war—hibernated during this decade. At the same time, owing to the country's unprecedented prosperity, business rode high, apparently carrying working people along with it. Few questioned the worship of business that made of the businessman a culture hero and pegged public policy to the needs of business. The collective American mind generally echoed the pronouncement of President Calvin Coolidge when he said, "The man who builds a factory builds a temple."

7. Rebirth in Disaster: The New Deal, the Work Force, and the Unions

The seemingly endless prosperity of the Twenties collapsed, at first slowly, following the implosion of the stock market on October 24, 1929 and then with blinding rapidity after 1930. The reasons for the debacle were, in retrospect, manifest, if anyone had been paying attention. They included a largely unregulated financial system characterized by pyramided investments, frenzied margin buying of stocks, and over-loaned banks. A complicating factor which took shape in the wake of the Great War was the breakdown of the international trading system. The problem revolved around ferocious protectionism by all the industrialized nations, coupled with American demands for reparations from former enemies and loan repayment from erstwhile allies.

For American workers, the ripple effects of these problems were profound. High tariffs and the return of European battlefields to peacetime cultivation kept American farm products out of Europe. American agricultural workers, thus thrown out of work, migrated in desperation to the nation's cities in search of jobs, where they found themselves as unemployed as if they had remained in the countryside. With capital investment sliding into insignificance, corporate profits dwindling to miniscule proportions, and the collapse on a daily basis of innumerable banks, the scope of the calamity was staggering, especially boding ill for a quick resumption of production that might put large numbers of people to work. From 1929 to 1932, more than 100,000 businesses failed, industrial production fell more than 51 percent, and more and more

Americans lost their jobs. By October 1930, 4 million people were jobless out of a population of 122 million; by 1932, 11 million people were out of work. In the depths of the Depression in 1933, 25 percent of the American workforce was unemployed. The national income deteriorated from \$81 billion in 1929 to \$49 billion in 1932, as average wages fell some 60 percent and average salaries 40 percent. [Census Data 1930 and 1940]

Although the United States had suffered economic collapses on roughly a twenty-year cycle since the early years of the republic—1819, 1837, 1857, 1873, 1893—the 20th century had suffered only mild downturns, in 1906 and 1919, and Americans were no longer inured to bad times. Thus, when Republican president Herbert Hoover tried mightily to persuade them that, as he put it, “Prosperity is just around the corner,” voters going to the polls in the 1932 election were skeptical. Instead, the election in their minds was a referendum on the agony of the previous three years and Hoover’s ability to lead them out of it.

Hoover’s opponent in 1932 was the aristocratic Democrat, Franklin Delano Roosevelt, Governor of New York. Although from a contemporary perspective, there might seem to be a world of difference philosophically between the candidates, in fact nothing of the sort was revealed in the campaign. The pundit Walter Lipmann referred to the contenders as Tweedledee and Teedledum. This is an important point because it emphasizes a significant truth about the “New Deal,” the program of Depression-fighting legislation and executive orders instigated by Roosevelt, the eventual winner, a truth that is frequently ignored in studying it. That is that FDR walked into the White House without a blueprint for action to end the catastrophe. On the contrary, the New Deal was largely a pragmatic, sometimes impromptu response to conditions and events that the New Dealers confronted on taking office. At the same time, the Roosevelt administration began to govern with guiding principles that were fundamental to actions they eventually took in a number of arenas. [1932 Presidential Campaign]

There were two important components of the foundational principles of the New Deal that had an impact on the new administration’s attitude toward workers and organized labor. One was that, following the Progressive publicist Herbert Croly in *The Promise of American Life* (1917), the federal government would need to take “Hamiltonian measures” to attain “Jeffersonian ends” in order to ensure the greatest economic freedom for all citizens. The essential debate in American political life at the outset of the republic had been joined on one side by the Federalists, represented by Alexander Hamilton, who argued that a strong central government would be required to make the American economy and society work properly. The views of their antagonists were represented by Thomas Jefferson. The anti-federalists were at first merely against federalist ideas in the making of the constitution. Then they metamorphosed into the world’s first political party, the Democrats. Early Democrats believed that a strong central government inevitably imposing too many laws and regulations was anathema, that it would ultimately limit the economic freedom (not to mention the political liberty) of the individual. This core idea of the Jeffersonians, *laissez faire*, was appropriated by the business wing of the Republican Party in the post-Civil War era and adapted as a defense of the free reign of the so-called “Captains of Industry” and the corporations they created. But the romantic notion of the independent American citizen, in the mold of the Jeffersonian ideal of the yeoman farmer, held sway in the American imagination throughout the 19th century, even as it ceased to be relevant to an emerging urban and industrial country. Inexorably, the absence of enforceable measures to

restrain enterprise led to the abuses that charged the reform impulse at the end of the century.

Progressives like Croly grasped that the Jeffersonian republic was no longer possible (if it ever had been) in the new age. This meant that a certain amount of regulation would be necessary to protect the public in general and workers in particular from the depredations of the rapacious and unbridled industrial system. They envisioned the same outcome as Jefferson—the greatest amount of freedom for each American to achieve economic independence—but regarded it as impossible that such should be achieved without the frank intervention of government in the ordering and policing of commerce and industry.

The second principle flowed from the first. In *The Modern Corporation and Private Property*, (1932), Adolphe Berle and Gardiner Means identified an immense gap between ownership and control of large corporations which they saw as the primary form of business enterprise in the new industrial age. By 1928, stockholders numbered 18 million, up from 4.4 million in 1900. Though in theory stockholders owned a company, they were too numerous to exercise any control over management. Executives essentially ran companies as they saw fit. Stockholders could not, as a practical matter, oversee non-owner managers. They were only interested in the maximization of profits to make their shares more valuable and their dividends high. Shareholders had become simply investors, not real owners.

Managers, on the other hand, were driven only by the responsibility to achieve high profits. They had no stake in the social values that had necessarily motivated the small business owners who were the foundation of the economy in the old days—especially workplace harmony and benevolent treatment of employees. Modern managers, they said, ran companies amorally. That separation of ownership and control, Berle and Means wrote, the large corporation "destroys the very foundation on which the economic order of the past three centuries has rested." Again, the New Deal response was to assume that under this new reality, for the protection of workers and society, a certain amount of regulation would be necessary.

The New Dealers went to work immediately to put the nation back to work. They favored work solutions rather than a dole to put money in the pockets of the unemployed, even if the tasks were in the nature of "make-work" jobs, such as "raking leaves," a contemptuous label for the type of work people were often assigned. Young men were offered positions with the Civilian Conservation Corps (CCC) in forests and parks. The first large scale attempt at work-relief was the Civil Works Administration (CWA), providing many with menial work over the winter of 1933-34. As good weather set in during the spring of 1934, the CWA was abandoned, having served its purpose—getting the unemployed through the harsh weather of winter. Earlier, in the spring of 1933, the Senate passed a bill limiting the work week to 30 hours. The New Dealers, feeling this was an impatient response to continued unemployment (which the 30-hour week was supposed to ameliorate) responded with a more comprehensive bill of its own, the National Industrial Recovery Act (NIRA), which created the Public Works Administration (PWA). The PWA was to initiate public works projects, like government buildings, highways, flood control, and a variety of other improvements. These were to be massive undertakings, not the hastily conceived make-work projects of the CWA.

The National Recovery Administration (NRA), which was called into being by the NIRA legislation, was a prime example of the administration's concern to curb the unrestrained appetites and machinations of business, as derived from Berle and Means and Croly. In line with its impulse to protect workers, one element the New Dealers wrote into the NRA was the creation of trade associations for major industries in which committees made up of management, government and labor made up codes of fair practice. In the cotton textile industry, for example, elements of the code relating to work and workers limited operations to 80 hours a week. Labor Standards in this and every other industry with a committee set a 40-hour week and a minimum wage of \$13 per week (\$12 in the South because of a supposedly lower cost of living) and a provision eliminating child labor under 16 years of age. In a critical move, the administration conferred a degree of status on unions they had not enjoyed since World War I by enlisting them in the drafting and enforcement of the legislation.

In 1935, the NRA was struck down by the Supreme Court. By the time of the decision, many had tired of its enforcers meddling and the cumbersome bureaucracy it generated. They regarded it as a misbegotten and unconstitutional attempt at regulation which had only succeeded in straitjacketing business at a time when the nation was depending on it to rejuvenate the economy. Nevertheless, NRA left an ineradicable and important mark on labor relations by dramatically making the 40-hour work week a national reality and eliminating child labor. It had also endorsed collective bargaining, which was a big boon to labor. Those were gains that could not be reversed.

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Bureau of Labor Statistics/Labor and Economic History at:

http://www.bls.gov/opub/mlr/indexl.htm#Labor_and_economic_history.

George Meany Memorial Archives (AFL-CIO) – National Labor College at:

<http://www.georgemeany.org/archives/home.html>.

Visual Materials: Labor and Unions

Portraits of labor leaders

William Sylvis, NLU

Uriah Stevens, Knights

Terrence V. Powderly, Knights

Eugene V. Debs, Railway Workers

P. J. McGuire, UBCJA

Samuel Gompers, AFL

Adolph Strasser, AFL

William Mitchell, UMW

John L. Lewis, UMW

Joe Hill, IWW

Big Bill Haywood, IWW

Daniel DeLeon, IWW

Morris Hilquit, ACT

David Dubinsky, ILGWU

Elizabeth Gurley Flynn, IWW

Portraits of Friends of (or, at least persons who were helpful to) Organized Labor and Workers

Theodore Roosevelt, President

Frances Perkins, Reformer

Dorothy Day, Reformer

Louis Brandeis, Lawyer and later Justice of the Supreme Court

John Peter Altgeld, Governor of Illinois

Grover Cleveland, President (at first enemy in the Pullman strike; later sees the light)

Portraits of “Captains of Industry” and Government Officials opposed to organized labor

Andrew Carnegie (ostensibly a friend)

Henry Clay Frick, President, Carnegie Steel

George Pullman, Owner, Pullman Coach Company

John D. Rockefeller, Sr. and Jr.

J. P. Morgan

Jay Gould

Key Scenes & Events in Labor History

Homestead Strike

Haymarket Riot

Centralia Massacre

Everett Massacre

Molly McGuires

Triangle Fire

Seattle General Strike (<http://faculty.washington.edu/gregoryj/strike/>).

Portland Dock Strike, 1919

Chinese Cannery Workers,

Chinese Rail Workers

Seattle General Strikers

Colorado Mining Strikes

Photos by Lewis Hine on Child Labor from the early 20th century

Photos from Jacob Riis, *How the Other Half Lives*

IWW Free Speech movement rallies